

Water and Light Advisory Board  
February 5, 2009

A meeting of the Water and Light Advisory Board was held February 5, 2009 at 8:30 a.m. in the Utility Services Conference Room, 105 E. Ash. Attending the meeting were:

John Conway, Chair  
Tom Baumgardner, Vice Chair  
Tom O'Connor, Member  
Bob Roper, Member – Absent  
Ernie Gaeth, Member – Absent  
J. Kraig Kahler, Water and Light Director  
Mike Schmitz, Engineering Manager  
Jim Windsor, Manager of Rates and Fiscal Planning  
Tina Worley, Utility Service Supervisor  
Tad Johnsen, Power Production Superintendent  
Floyd Turner, Manager of Water Operations  
Dan Stokes, Electric Distribution Manager  
Marilyn Thorpe, Administrative Support Supervisor  
Stephanie Brown, Administrative Support Assistant

Dick Parker, Power Supply Task Force  
Win Colwill, League of Women Voters

**APPROVAL FOR THE JANUARY 8, 2009 MEETING MINUTES:** The January 8, 2009 meeting minutes were approved by voice vote on a motion by Tom Baumgardner and second by Tom O'Connor.

**FINANCIAL REPORT:**

a) Financial Update – The Board received the monthly financial statements ending December 31, 2008.

Water and Electric Utility combined operations reflect an operating income of \$1,179,265 for the three months ended December 31, 2008; compared to an operating income of \$2,941,072 for the same period last year. This is a decrease of \$1,761,807.

The Water Utility has an operating loss of \$567,223 for the three months ended December 31, 2008; compared to an operating income of \$144,861 for the same period last year. This is a decrease of \$712,084 in operating income.

The Electric Utility has an operating income of \$1,746,488 for the three months ended December 31, 2008; compared to an operating income of \$2,796,211 for the same period last year. This is a decrease in operation income of \$1,049,723.

Operating expenses before Payment-In-Lieu-Of-Tax and Depreciation are up \$3,122,257. Fuel and Purchased power costs have increased \$2,879,754.

b) Jim Windsor said that overall the utility's revenue is behind compared to last year's amounts largely due to the economy and the mild weather. John Conway expressed concern

that it may be difficult for the revenues to catch up with the expenses. Mr. O'Connor mentioned that other utilities' revenues were down as well.

### **POWER PLANT REPORT**

a) Renewable Energy Report –Kraig Kahler said the utility is required to submit an annual report outlining its compliance with the renewable energy ordinance. The projects discussed in the report include wind energy, two biogas energy plants, wood fuel and solar energy. The report also describes the utility's renewable energy education efforts and customer based renewable energy projects such as net metering and solar rebates. Mr. Kahler said the goal is to have at least 2% of all energy produced by the city each year derived from renewable energy resources. He said with the banked renewable energy from previous years the utility was able to accomplish that goal. The percentage minimums would increase every five years. Mr. Kahler said judging by forecasting models, the utility should have no problem reaching the goals. He said the Integrated Resource Plan suggests increasing the purchases of wind energy to accommodate this. Mr. O'Connor said it was a good report.

Mr. O'Connor asked for the wind energy amounts in real time. Tina Worley said she will request that information from the Bluegrass Wind Farm. Mr. Baumgardner expressed concern regarding the utility paying transmission costs even if there is no production. Mr. Kahler said he will check with Associated Electric Corporation, Inc. (AECI) to consider re-negotiating the agreement. Mr. Kahler will also provide the tallied charges to the Board.

b) Tad Johnsen said the power plant received the 4<sup>th</sup> quarter certification from the Environmental Protection Agency (EPA) for the new emissions monitoring system that was completed in January.

Mr. Johnsen said of the energy generated at the power plant, approximately 3% was from renewable energy sources. Wind accounted for 1%; landfill gas plant produced just over 1%; and wood burning provided a little less than 1% of the total. He said the Jefferson City Landfill gas plant should be up and running in March.

### **ENGINEERING**

a) Mr. Schmitz said he met with Steve Hunt of Public Works to discuss the U.S. Geological Survey (USGS) Water Flow Study. He said they decided that at this time it would be more useful to allocate funds for and focus on the raw water study instead. Mr. Baumgardner asked that the water flow study be placed on the calendar for future consideration. Mr. Schmitz suggested that it be discussed a year from now. The Board agreed that it would be more beneficial to focus on the raw water study at this time.

b) Raw Water Monitoring Report – Mr. Schmitz said several options were reviewed for the approach to the raw water monitoring study. Option 1, suggested by Mr. O'Connor, recommended testing for various compounds in the water and testing the wastewater treatment plant and the wetlands effluent. Option 2 recommended testing the supply wells and option 3 would test for wastewater indicators, pharmaceutical compounds and hormone compounds. Mr. Schmitz said option 4, which would perform the same tests as option 3 but use city staff. The costs to purchase the equipment needed to run the tests as well as additional staff required would cause the utility to exceed budget. Mr. Schmitz said staff recommends option 2.

Mr. Kahler commented that the city has an agreement with USGS for groundwater monitoring for a period of 5 years. Mr. Kahler said these tests are done to determine what is in the water and the effect of the wetlands on the supply wells. Mr. O'Connor said the method he suggested would provide a fingerprint of the wastewater treatment plant effluent that can be used to determine the effects and paths. Mr. Kahler said USGS will test for about 70 different compounds. Mr. Schmitz said it shouldn't be a problem to add other test items in the agreement and that USGS would be willing to work with us.

Mr. Kahler said staff will check with USGS regarding the additions of the items Mr. O'Connor would like added to the tests. Additional testing items include:

1. Bromide and chloride analysis
2. City of Columbia wastewater effluent outflow
3. Eagle Bluffs wetland effluent outflow

Mr. Schmitz said normally staff does not see the results until the draft of the report is available. Mr. O'Connor said he would like to see the results of the tests ahead of time. Mr. Schmitz said he would approach USGS regarding the availability of this information and report back at the next Board meeting.

c) SERC Critical Infrastructure Survey – Mr. Schmitz said staff met with members of SERC Reliability Corporation to discuss steps in keeping the utility compliant with the upcoming North American Electric Reliability Council (NERC) Critical Infrastructure Protection (CIP) Standards. Staff has interviewed several outside agencies to analyze the system to make sure it is compliant. He said staff members Tad Johnsen and Ryan Williams are the compliance officers for the utility. He said that staff recommends Encari for the analysis. Mr. Schmitz said with any decisions to change the system the utility must be able to import power while staying compliant. If the utility does not adjust to stay compliant, SERC could impose a costly fine.

Mr. Baumgardner made a motion to recommend to the City Council the approval of an agreement with Encari to perform the analysis. Mr. Conway made a second motion. The motion was approved with a majority voice vote with one opposition.

### **WATER DIVISION REPORT**

Floyd Turner said staff is proceeding with the acquisition of a permit to switch to the chloramines process for Trihalomethanes (THM). The permit will be released once the University of Missouri has completed a jar test. He said May 1<sup>st</sup> is the forecasted start time for the process once purchase and installation of the equipment and customer notification are completed. He also said information will be distributed at the 2009 Home Show. Mr. O'Connor will send staff a PowerPoint presentation on water conservation.

### **ELECTRIC DISTRIBUTION REPORT**

Dan Stokes said there were 11 outages in the month of January. The average time for duration of the outages was 110 minutes and the average amount of customers affected was 8.2 customers. He said the largest outage caused by a squirrel occurred on January 8<sup>th</sup> and affected 1,000 customers.

Mr. Stokes also announced that there was an article in the Missourian newspaper about the Linemen from Water and Light that went to Campbell, MO to assist with repairs after an ice storm.

Mr. Schmitz said two landowners attended the public meeting regarding the Route Study. He said several property owners have voluntarily offered their land for the substation site but they are not in the right location.

### **UTILITY SERVICES DIVISION REPORT**

Tina Worley said currently the Saturday Science program is finishing up for the year. Staff sets up various activities involving wind energy, solar energy, and biomass. She said the last one will be February 14.

Ms. Worley mentioned the 2008 DEED grant with American Public Power Association (APPA) for the Development of a Solar Business Model. Recently, a phone survey was conducted regarding the Solar One Program and there have been four focus groups for the Solar One program; two for residential and two for commercial customers.

She said the Home Show will have a strong emphasis on the Home Performance with Energy Star home assessments. She said that the Environmental Protection Agency (EPA) program manager has stated that with the new stimulus bill, the utility may receive funds for the Home Performance with Energy Star program because of the success of the program.

Ms. Worley said current items submitted to the City Council include a consent agreement with Ameresco for the Jefferson City Landfill Gas Plant and an agreement with the University of Missouri regarding the Advancing Renewables in the Midwest Conference.

Ms. Worley provided a flow chart of the Solar One program to Mr. O'Connor.

### **NEW BUSINESS**

Mr. Conway said he received a letter from the Mayor to describe the "program of work" of the Board. He said the letter was sent to all boards and commissions. It is due March 31 and he will email it to each board member requesting feedback at the next meeting.

Mr. O'Connor inquired of any discussion with Ameren regarding the new data center and the new power plant in Callaway County. Mr. Kahler said the data center would be powered by a third party. He also said he has spoken with Dennis Beutler of Ameren but not in great detail regarding the plant.

### **OLD BUSINESS**

Next meeting date: March 5, 2009

The meeting adjourned at 10:15 a.m.

Respectfully Submitted,